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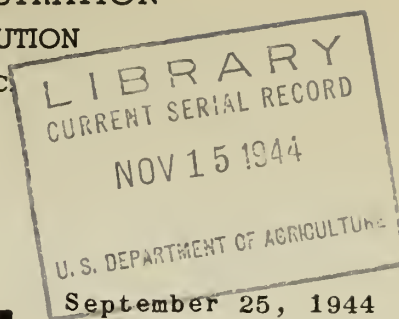
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WAR FOOD ADMINISTRATION

OFFICE OF DISTRIBUTION

Washington 25, D. C.



*To the employees
of the Office of Distribution*

Ours is a big organization with a big job to do. It is impossible for all of us to get together to discuss the objectives of the Office of Distribution. As the next best thing, I have just issued Director's Memorandum No. 4 and your copy is attached. It represents the combined thoughts of those responsible for policy-making decisions, and can serve as a guide in your day-by-day work.

I hope that each of you, after reading this message, will have a better idea of how your daily tasks fit into the broader marketing and distribution program and contribute to the wartime and peacetime goals of our Nation.

Sincerely,

Lee B. Gresham

Director

Attachment

WAR FOOD ADMINISTRATION
OFFICE OF DISTRIBUTION

Washington 25, D. C.



September 14, 1944

DIRECTOR'S MEMORANDUM NO. 4

OBJECTIVES OF THE OFFICE OF DISTRIBUTION

The Office of Distribution has two general objectives: The first of these, strictly a wartime responsibility, is to manage U. S. food supplies so that they will make their maximum contribution toward winning the war as quickly as possible. The second objective is to develop and carry out our programs in such a way that they will be of lasting benefit to farmers, to the food industries, and to the general public.

I. To Manage U. S. Food Supplies In Such A Way That They Will Make Their Maximum Contribution Toward Winning The War.

For the duration this general objective takes precedence over all others. In working toward this objective, the Office of Distribution is similar to an armored division on one of the world's battlefronts. It is not an independent, autonomous agency but one whose activities must be coordinated and correlated with those of other agencies and organizations. The Office of Distribution is a part of the War Food Administration and while it is a vitally important part, its effectiveness in the overall war food program depends on how well it maintains close working relationship with other War Food Administration agencies. Likewise, we recognize specific wartime food distribution responsibilities of various outside agencies and therefore cooperate fully at all times with such agencies as the Office of Price Administration, the War Production Board, the Foreign Economic Administration, the Office of Defense Transportation and others.

Very important is full recognition of our responsibilities to Congress and through it to the people. We have specific Congressional directives which must be carried out as fully as possible with the personnel and funds available and in accordance with the policies laid down by the War Food Administrator.

Our Branches, our Divisions, our regional and field offices are expected to take the initiative in developing new ideas for improving

on current marketing and distribution programs and techniques. Such ideas if found worthy are to be put into effect in full cooperation with Congress, the War Food Administration, and other Government agencies, and with full regard to benefits to farmers, food industries and the general public.

A. Requirements

The Office of Distribution has the responsibility for determining future food requirements. In discharging this responsibility, it is not enough to make a full review of food requirements. It is also essential that the Office of Distribution present the distribution side of the food picture when production goals are established. In working with other agencies on setting production goals the Office of Distribution must indicate the practicable limits of facilities for processing, transportation and storage. Real wartime food goals reach beyond acreage of crops and number of livestock on farms. The real goal is to get the right quantity of foods, in the right form, in the right place, at the right time.

B. Wartime Price Policy

At the farm level it is essential that prices be so adjusted as to help carry out the goals program. Within legal limits we must establish and maintain a system of price supports that will bring about the production of the foods we need. In setting support prices it is especially important that we do not encourage the price of any farm product to get out of line with competing farm products. In other words, the support prices for eggs, milk, hogs, and corn must be related to one another.

Moreover, our price-programs should, so far as possible, avoid the expansion of types of farming in areas unsuited to such expansion, either because of soil and climate, or because of fundamental marketing problems. While marketing problems of this nature call for post-war consideration and action, our current price programs are designed to encourage efficient production and marketing.

The War Food Administration also has responsibility for working with the Office of Price Administration on food price ceilings. Our obligation is to carry out the Administration's anti-inflation program and to do this in a way that will not interfere with our obligations to support agricultural prices, nor with our efforts to bring about necessary adjustments in food supplies.

C. Allocations

Before food is produced it is necessary for us to plan allocations for its proper distribution to our armed forces, our civilians

and our allies. These allocations will continue to be carried out in accordance with the following principles:

(1) Our armed forces must be provided all the food they need at home and on the world's battlefronts. We must meet their current requirements and assist in maintaining necessary reserves.

(2) Our civilian population must be provided with an adequate diet, and one that at least meets minimum nutritional requirements.

(3) Food needs of our fighting allies and other groups engaged in the direct war effort must be met insofar as possible.

D. Procurement and Supply Programs

One of the most essential wartime functions of the Office of Distribution is to make certain that the allocations are carried out so the right quantities of the right foods are made available for all war needs, including the military, Lend-Lease, territorial emergency, and foreign relief feeding programs. Our policy is to do this on a businesslike basis through accurate, comprehensive, and up-to-date records, and prompt adjustments in our purchases and in our inventories.

More specifically, the procurement and supply functions of the Office of Distribution will be carried out according to the following principles:

(1) To buy and stockpile only those foods for which it has a definite outlet. Warehouse stocks will be kept to a minimum consistent with real needs and will be properly inventoried and turned within the appropriate storage period for the particular food.

(2) To avoid all unnecessary cross hauling and all unnecessary warehousing. Wherever it is possible food is to be shipped directly to shipside instead of passing through a warehouse.

(3) To make purchases below ceiling prices when the market is below the ceiling--unless such purchases would conflict with our obligations for price support.

(4) To make continuous and thorough inspection of foods in warehouses and thereby avoid spoilage.

(5) To utilize normal distributive facilities in the disposal of Government-owned food stocks. Whenever practicable such foods will be offered first to the original vendor and shall be sold at prices that do not interfere with our price-support obligations.

(6) To review continuously existing food orders for the purpose of immediately suspending or revoking those orders or provisions of orders as soon as it is found that they are not needed to effectuate food management functions. Set-aside percentages are to be amended promptly whenever it is possible to release more foods to the civilian market.

E. Price-Support Programs

Commitments and programs to support farm prices are basic to the war food program. Farmers rely on our commitments in producing the kinds and quantities of commodities needed by the Government. If farmers lose confidence in those commitments, the Government will be unable both to prevent acute shortages and to avoid unmanageable surpluses. In the development and administration of programs to carry out price-support commitments, the following points should be borne in mind:

(1) Price-support programs are to protect farmers and therefore should be as close to the farmer as possible.

(2) Price-support operations, at best difficult to administer, should be as simple as possible with a minimum of variation for grades, geographical location, or historical season price differentials.

(3) Price-support programs to be effective must be flexible enough to meet changing situations and events we cannot anticipate. It is the obligation of the Office of Distribution to do what is necessary under circumstances existing at the time to maintain prices at not lower than floor levels.

(4) The War Food Administrator formally announces the commodities to be supported and our support operations should be directed in accordance with such announcements. Commodities on which no price-support commitment exists should not be supported, except to the extent funds are available for school lunch and direct distribution programs.

II. To Develop And Carry Out Our Programs In Such A Way That They Will Be Of Lasting Benefit To Farmers, To The Food Industries, And To The General Public.

Although the war objectives come first, the Office of Distribution must give increasing attention to the important marketing problems which will arise in the demobilization and post-war periods.

It is essential in this connection, that the overall food distribution program be kept flexible in order to meet rapid changes in supplies and in requirements, and that when any particular activity becomes more or less important, personnel shall be reassigned and emphasis adjusted.

A. General Responsibilities

To the farmer our responsibility is to see that farm prices and farm income are maintained at reasonable levels, to see that markets are developed and expanded, and to see that marketing is as efficient as possible.

To the food industries our responsibility is to provide a stable basis for the fullest freedom of initiative and competition consistent with our obligations to farmers and the general public.

To the general public our responsibility is to see that an adequate dependable supply of wholesome food is provided at reasonable cost.

In discharging these responsibilities we, as an integral part of the Department of Agriculture and the WFA, must work closely with federal, state and local agencies in developing efficient methods of processing, transporting, storing, and distribution of foods; in encouraging adequate modern facilities; in stimulating desirable forms of competition both in agriculture and food industries; and in developing adequate outlets for food.

Likewise the civilian food programs--school lunch, direct distribution, industrial feeding, and nutrition education--will be so administered as to make their maximum contribution toward fulfilling these objectives. We must administer the school lunch program in such a way that it will achieve its dual purpose of (1) encouraging increased consumption of foods in temporary abundance while at the same time aiding farmers in the long-time development of better domestic markets, and (2) assisting local communities in the development and maintenance of programs providing nutritionally adequate lunches to school children. We share responsibility with other agencies in the educational and advisory work on industrial feeding that is being carried on with management and labor groups. We are obligated to assist consumers in applying present-day knowledge of nutrition so as to get the very most out of all the food available to them.

Our territories and possessions must be supplied with an adequate diet that at least meets minimum nutritional requirements. And, to meet these needs, we shall continue under our Territorial Emergency Programs to purchase and stockpile agricultural commodities for distribution through the regular channels until normal conditions of trade are once more established.

B. Sphere of Interest

The Office of Distribution is concerned with the whole process of marketing and distribution, including all the functions performed between the time a crop is harvested at the farm and the time it is eaten in the home of the consumer. Both in wartime and in peacetime we are concerned with the problem of food processing and distribution. After hostilities cease, many Government regulations concerning the distribution of food will be relaxed or dropped. Nevertheless, the Office of Distribution has a continuing interest in the whole process of food distribution and must do whatever it can to assist in the development of an adequate, efficient, and integrated marketing system.

C. Price Policy

The most important and most difficult problem confronting our Government at the end of the war will be the declared responsibility for assuring farmers reasonable prices and reasonable incomes. In accordance with the policy of the War Food Administration, the Office of Distribution will carry out its assigned responsibilities under existing legislation as completely as possible with the funds and personnel at our disposal.

As much attention as can now be spared from the immediate aspects of the war program is to be centered on working out a practical concrete program for supporting farm prices and farm incomes and for preventing unmanageable surpluses. This is our No. 1 post-war problem.

D. Marketing Services

For many years Branches and Divisions of the Office of Distribution have performed a number of important services, such as the development of grades and standards, inspection, market news, and the enforcement of regulatory acts. These services, of particular value in wartime, will continue to be of great value after the war. However, there may well be a need for adjusting many of these services to meet changed marketing conditions. Also, our war experience has taught us many lessons of permanent value which will help us make desirable changes and strengthen marketing services wherever possible.

E. Foreign Trade

Agriculture has a decided interest in developing and maintaining adequate foreign outlets for foods and fibers produced in this country. Foreign trade in the post-war period is likely to be quite different from that before the war. Government probably will take a much more active part in food and fiber imports and exports. The

Office of Distribution through proper channels will work closely with the State Department and other agencies toward the establishment of foreign trade policies that will enable us to develop and maintain adequate and profitable outlets for our products.

F. Public Acceptance and Approval

It is the responsibility of the Office of Distribution to keep farmers, food industries and the general public fully informed of our programs and services available. The better acquainted these groups are with the Office of Distribution problems and objectives, the more wholehearted will be their cooperation and the greater will be the benefits to all. All programs are to be maintained at a level consistent with public demand for them and within the funds available. In the long run we will be of maximum service and will win public acceptance, by developing sound programs and by carrying them out effectively.

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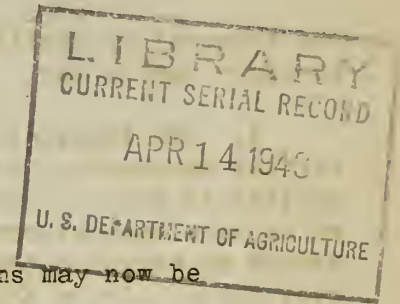
UNITED STATES DEPARTMENT OF AGRICULTURE
Food Distribution Administration
Washington, D. C.

April 8, 1943

DIRECTOR'S MEMORANDUM NO. 4

Supplement 1

Domestic Distribution Programs



Our policies with respect to domestic distribution programs may now be summarized as follows:

1. The Stamp Plan has been suspended for the duration, and accounts and other final administrative actions should be completed as expeditiously as possible.

2. Our program of direct distribution is in the process of liquidation. Distribution of commodities within States to public assistance cases and institutions should be discontinued on or before June 30, 1943. Reasonable care should be taken to see that inventories of food, now relatively small, are disposed of promptly, in an orderly manner, without waste of any kind. The Washington Office shall obtain from the Regions a periodic picture of such inventories and consult with commodity branches as necessary in order to expedite their orderly disposition.

A. No products should be released into trade channels without an appropriate inspection by qualified inspectors to establish the condition of the product.

B. Where the product does not meet reasonable standards for edible consumption by reason of damaged containers or otherwise, steps for the sale of the product as feed or other non-wasteful uses should be taken. Products marked "not to be sold" which may make them not readily salable in commercial channels or are so widely scattered as to involve burdensome transportation cost, may be donated to institutions.

C. The policy respecting resale is covered in further detail in Supplement 6 to Director's Memorandum No. 15, dated April 8, 1943.

3. We are discontinuing as rapidly as possible direct distribution in connection with the School Lunch Programs. No further purchases or direct distribution in connection with School Lunch Programs are now to be made, and no further national distribution to state welfare agencies should be made. Distribution by state welfare agencies to schools should not be carried on beyond April 30, and unless this appears greatly needed it may be discontinued prior to that time at the discretion of the Washington Office or Regional Administrators, provided reasonable notice is given to

the cooperating institutions so that their plans will not be disregarded in an unreasonable way.

4. The termination of the direct distribution of commodities mentioned in this memorandum, and the liquidation of present commodity inventories, applies to the present list of commodities which are now in inventory or which have been allocated up to April 1. However, a simple relationship should be worked out for some of the larger cities fairly well scattered over the country so that we may be able to fall back on in case of an emergency in disposing of some small seasonal surpluses which are possible; such as cabbage, and which, when-as-and-if available, will be allocated in the future. A plan for such a program should be prepared in the near future and forwarded through Mr. Russell to me for consideration and approval.

5. We plan to complete liquidation of the Relief Milk Program by June 30, as the maximum, with earlier suspension in some cases.

6. Effective immediately there shall be no further expansion or promotion of the School Lunch Reimbursable Program or of the School Milk Reimbursable Program. No further commitments shall be made for summer feeding programs or for School Lunch or School Milk Reimbursable Programs for next year.

7. Our plans of indemnification under the Food Demonstration Program and the Community Canning Program now under consideration will be abandoned. Steps, however, which have been taken to obtain allocation by WPA of canning equipment necessary for operating Community School Lunch Canning Programs this summer will be carried forward. As this equipment will have to be purchased by community canning project sponsors, no expenditures with Section 32 funds for such equipment is contemplated.

8. Present plans to transfer WPA equipment from WPA to FDA which involves exchange of Section 32 funds for use in School Lunch Programs and Community School Lunch Canning Programs will be abandoned.

The Section 32 programs providing for the purchase and distribution of farm produce which has been depressed price-wise have assisted materially in bringing needed foods to persons handicapped by low incomes. A substantial need does still exist for aid for low-income groups and my memorandum No. 48 of March 23 concerning the economic status of low-income groups supplies some evidence along that line. However, at the present time the outlook for Federal appropriations specifically to provide assistance to low-income people is uncertain and probably no funds will be made available at an early date. If prices of foods advance substantially it is possible that there will be a movement for Federal assistance of that kind. Meantime it is regarded primarily as a state and local problem. There is considerable evidence to the effect that state and local governmental units are financially in a position to assume such responsibility if they desire to do so.

The continuation and expansion of the School Lunch and School Milk Programs would be highly desirable as a part of our war food program in order to make it possible for all school children to receive one good meal per day in addi-

tion to their home rations. A school feeding program is particularly needed for children from low-income families and children whose parents are engaged in war work. Our plans for the coming year for these programs will depend upon congressional action in connection with the Department's appropriation bill and upon the prospects for new and clear-cut legislative authority for a national child food program.

Roy F. Hendrickson

